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CENTRAL INTELLIGENCE AGENCY

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SECURITY INFORMATION

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INFORMATION REPORT

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1. In its program of procurement of needed raw materials from the West, SAG Transmach deals with the following DDR offices:
 - a. DIA-Metall. Doelling, Rabe, Hase, Klopp.
 - b. DIA-Feinwerk-Technik. Fabian, Palme.
 - c. DIA-Glas-Keramik. Djordevic
 - d. DIA-Holz. Director Mielisch, Director Bahr, and Leder.
 - e. DIA-Chemie and DIA-Bergbau. (Names not available).
 - f. Meletex. Director Hechler, and his secretary Christian.
 - g. DWV (Deutsche Warenvertriebsgesellschaft). Director Richter, Rhodin, Neun.
2. In order to procure the hard currency necessary to purchase raw materials in the West, Transmach is authorized to sell to Western customers whatever it can of its own production plus occasional lots of goods from other DDR factories. Thus since mid-February 1952, Transmach has been attempting to collect and sell in the West enough goods to buy five million marks worth of rustless pipes for the Mako Works plus 3,000 tons of ordinary pipes and various stocks of Remanit (nonrusting) sheet metal. One of the chief means whereby Transmach hopes to obtain this hard currency is by selling carbon tetrachloride and ammonium sulfate in the West. To this end, Transmach obtained from the SAG Headquarters in Berlin-Weissensee a written authorization to take over from the Leuna Works some 6,500 tons of ammonium sulfate, but as of mid-March was having difficulty in actually obtaining release of the goods from Leuna itself. (Leuna is supposed, according to plan, to produce about 30,000 tons of ammonium sulfate per year on its own account, proceeds from the sale of which are to be used to make capital investments in the plant).

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-2-
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3. Transmasch makes use of the Meletex and DWV organizations for actual negotiation of such compensation deals as this, mainly because these organizations are authorized to make cash payments in advance to agents of Western firms in order to ensure prompt delivery of needed materials from the West. Individual firms, or even groups such as Transmasch, are not normally authorized to do business in this manner.
4. An independent East-West trader who does business with the Nema Works, Lausitz, SAG Transmasch, is one K.S. Zimmerbeutel, Berlin-Wilmersdorf, Bundesallee 123. Zimmerbeutel is said to be a false name, the real name being reportedly Stromberg. One of the items being sought by Nema through Zimmerbeutel is Frigen, a refrigerant.

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